

## HOUSE BILL NO. 524

INTRODUCED BY M. REINHART

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING PROCEDURES AND REQUIREMENTS FOR A COUNTY GOVERNMENT TO FOLLOW FOR THE PROPOSED PRIVATIZATION OF SERVICES CURRENTLY PROVIDED BY A COUNTY; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**NEW SECTION. Section 1. Definitions.** As used in [section 2] and this section, the following definitions apply:

(1) "Agency" means an office, position, commission, committee, board, department, council, division, bureau, section, or any other entity or instrumentality of the county government.

(2) "Private sector" means any entity or individual not principally a part of or associated with a governmental unit that is associated with or involved in commercial activity.

(3) (a) "Privatize" means an agency contracting with the private sector to provide services that are currently or normally conducted directly by the employees of the county.

(b) The term does not include contracting with the private sector to provide services on a temporary or emergency basis.

(4) "Program" means an ongoing function, project, or duty of a county.

**NEW SECTION. Section 2. Privatization plan -- hearing.** (1) Before a county may privatize a program, the affected agency shall prepare a privatization plan. A privatization plan must include the following:

(a) a description of the program to be privatized, including references to the legal authority under which the program was created;

(b) detailed budget information that includes a list of expenditures for the 2 most recent fiscal years and the sources of revenue for the program;

(c) a list of all personnel currently employed in the program and the estimated effect of the proposed privatization on the employment status of each employee affected;

(d) a listing of the assets of the program and their proposed disposition if the plan is implemented;

(e) an estimate of the cost savings or any additional costs resulting from privatizing the program, compared to the costs of the existing, nonprivatized program. Additional costs must include the estimated cost to the county of inspection, supervision, and monitoring of the proposed privatization and the costs incurred in the discontinuation of an inspection, supervision, or monitoring contract.

(f) the estimated current and future economic impacts of the implementation of the plan on other county programs, including retirement programs and personal services budgets used to pay out accrued vacation and sick leave benefits;

(g) the estimated increases or decreases in costs and quality of goods or services to the public if the plan is implemented;

(h) the estimated changes in individual wages and benefits resulting from the proposed privatization;

(i) the ways in which the proposed privatization will deliver the same or better services at a lower cost; and

(j) a narrative explanation and justification for the proposed privatization.

(2) The privatization plan must be released to the public and to all unions that represent county employees at least 180 days prior to the proposed implementation date.

(3) At least 30 days prior to the proposed implementation date, the board of county commissioners shall approve or disapprove the privatization plan, stating in writing the reasons for approval or disapproval.

**NEW SECTION.** **Section 3. Codification instruction.** [Sections 1 and 2] are intended to be codified as an integral part of Title 7, chapter 5, part 23, and the provisions of Title 7, chapter 5, part 23, apply to [sections 1 and 2].

**NEW SECTION.** **Section 4. Effective date.** [This act] is effective July 1, 2009.

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